
STATUTORY INSTRUMENTS

1985 No. 453 (N.I. 4)

NORTHERN IRELAND

**The Friendly Societies
(Northern Ireland) Order 1985**

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| <i>Made</i> | 20th March 1985 |
| <i>Laid before Parliament</i> | 4th April 1985 |
| <i>Coming into Operation</i> | 11th April 1985 |

At the Court at Buckingham Palace, the 20th day of March 1985

Present,

The Queen's Most Excellent Majesty in Council

Whereas this Order in Council is made only for purposes corresponding to those of the Friendly Societies Act 1984:

1984 c. 62

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (as modified by section 3 of the said Act of 1984) and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1974 c. 28

Title and commencement

1.—(1) This Order may be cited as the Friendly Societies (Northern Ireland) Order 1985.

(2) The Order shall come into operation on the expiration of twenty-one days from the day on which it is made.

Interpretation

2. The Interpretation Act (Northern Ireland) 1954 shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

1954 c. 33 (N.I.)

Validation of certain contracts

3.—(1) The provisions of this Article apply to a contract—

(a) which was entered into by an exempt new friendly society in the course of life or endowment business; and

(b) which was so entered into after 3rd May 1966 and before 1st June 1984.

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(2) In this Article an “exempt new friendly society” means a friendly society—

(a) which was registered after 3rd May 1966 or which was registered in the period of three months ending on that date but which at no time earlier than that date carried on any life or endowment business; and

(b) the rules of which, on 1st June 1984, provided that the only life or endowment business which the society might carry on was business of a description falling within any of paragraphs (a) to (c) of subsection (2) of section 333 of the Income and Corporation Taxes Act 1970 or within any two or all three of those paragraphs taken together.

1970 c. 10

(3) In determining any question as to compliance by an exempt new friendly society with the relevant enactments or as to the validity of any contract to which this Article applies, there shall be disregarded any term of such a contract which is set out otherwise than in—

(a) the registered rules of the society; or

(b) a policy document issued by the society to the member concerned.

(4) In paragraph (3) “the relevant enactments” means—

(a) subsections (3)(a) and (3A) of section 1 of the Friendly Societies Act (Northern Ireland) 1970 (societies which may be registered);

(b) paragraphs (a) and (b) of subsection (1) of section 55 of that Act (maximum benefits); and

(c) any enactment which was repealed by that Act and which contained provisions re-enacted in any of the provisions referred to in sub-paragraphs (a) and (b).

1970 c. 31 (N.I.)

(5) In this Article “life or endowment business” has the meaning assigned to it by section 337(2) of the Income and Corporation Taxes Act 1970.

Maximum benefits

4.—(1) Section 55 of the Friendly Societies Act (Northern Ireland) 1970 (maximum benefits) shall have effect, and be deemed always to have had effect, with the modifications in paragraphs (2) and (3).

(2) In subsection (1) (financial limits)—

(a) the words from the beginning to “through” shall be omitted;

(b) for the words “receive from” there shall be substituted the words “have at any time outstanding contracts with”;

(c) after the word “branches” there shall be inserted the words “for the assurance of”;

(d) paragraphs (c) and (d) (the taxable business limits) shall be omitted; and

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(e) for the words “to (d)” there shall be substituted the words “and (b)”.

(3) In subsection (2) (matters to be disregarded in applying the limits)—

(a) after the word “addition” there shall be inserted the words “which either is”; and

(b) after the word “annuity” (where it occurs for the first time) there shall be inserted the words “or accrues upon such an assurance by reference to an increase in the value of any investments”.

(4) In consequence of the modifications in paragraph (2), subsections (3) to (6) and subsections (8) and (10) of section 55 of the Friendly Societies Act (Northern Ireland) 1970 shall cease to have effect. 1970 c. 31 (N.I.)

(5) In subsection (7) of section 55 of that Act (statutory declaration as to total entitlement under existing contracts) for the words “to which that member or person is entitled from” there shall be substituted the words “assured under outstanding contracts entered into by that member with any”.

(6) With respect to any time prior to the coming into force of any of the enactments referred to in paragraphs (2) and (3) the like modifications as are made to that enactment by those paragraphs shall be deemed always to have been made to any earlier enactment the provisions of which are re-enacted in the enactment so referred to.

G. I. de Deney,
Clerk of the Privy Council.

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EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order is made only for purposes corresponding to those of the Friendly Societies Act 1984.

Article 3 removes doubt as to the enforceability of certain life insurance contracts entered into between certain recently registered friendly societies and their members before 1st June 1984. Such doubt arose because the brochures advertising the contracts purported to confer benefits beyond what the rules of the societies concerned permitted. Article 4 modifies, with both retrospective and prospective effect, provisions relating to the financial limits in section 55 of the Friendly Societies Act (Northern Ireland) 1970.